

**MEMORANDUM OF AGREEMENT
NAT-I-7409**

BETWEEN THE

**FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA**

AND THE

**FEDERAL AUTHORITY FOR TRANSPORTATION OVERSIGHT
MINISTRY OF TRANSPORT
RUSSIAN FEDERATION**

WHEREAS, the Federal Aviation Administration (FAA) of the Department of Transportation of the United States of America is directed to encourage the development of civil aeronautics and the safety of air commerce, and is authorized to furnish on a reimbursable basis to foreign governments certain technical assistance to that end; and

WHEREAS, the Federal Authority for Transportation Oversight (FATO) of the Russian Federation has requested that such technical assistance be provided;

NOW THEREFORE, the FAA and the FATO, collectively referred to herein as the parties, mutually agree as follows:

ARTICLE I—OBJECTIVE

A. This Memorandum of Agreement (the Agreement) establishes the terms and conditions under which the FAA may provide technical assistance to the FATO in developing, modernizing, operating or maintaining the civil aviation infrastructure in the Russian Federation. For this purpose, the FAA shall, subject to the availability of appropriated funds and necessary resources, provide personnel, resources, and related services to assist the FATO to the extent called for in the annexes and appendices to this Agreement.

B. The FAA's ability to furnish the full scope of technical assistance provided for under this Agreement depends on the use of the systems and equipment in the Russian Federation that are similar to those used by the FAA in the U.S. National Airspace System. To the extent that other systems and equipment are used in the Russian Federation, the FAA may not be able to support those other systems and equipment under this Agreement.

ARTICLE II—IMPLEMENTATION

A. Specific technical assistance in areas of personnel, training, equipment, or services to be provided by the FAA for the FATO shall be delineated in annexes and appendices to this Agreement. When signed by the parties, such annexes and appendices shall become part of this Agreement. Such annexes and appendices shall describe the technical assistance to be performed by the FAA, the personnel and other resources required to accomplish the tasks, the estimated costs, implementation plans, and duration.

B. The designated office at the FAA for the coordination and management of this Agreement, and where all requests for services under this Agreement should be made, is:

Federal Aviation Administration
Africa, Europe and Middle East Office, AEU-10
800 Independence Ave., S.W.
Washington, D.C. 20591

Telephone no. 202-385-8891
Fax no. 202-267-5032

ARTICLE III—DESCRIPTION OF SERVICES

A. The technical assistance provided by the FAA at the request of the FATO may include, but is not necessarily limited to, the following:

1. Providing technical and managerial expertise to assist the FATO in developing, improving, and operating its civil aviation infrastructure, standards, procedures, policies, training, and equipment;
2. Providing training for FATO personnel in the United States, in the Russian Federation, or in such other location as may be specified in the applicable annex or appendix;
3. Inspecting and calibrating FATO-owned or -operated equipment and air navigation facilities; and
4. Providing resources, logistical support, and equipment for air navigation facilities.

B. Technical assistance in these and other areas, as mutually agreed to, may be accomplished by appropriate short- and long-term in-country assignments or by other assistance offered by the FAA.

ARTICLE IV—STATUS OF FAA PERSONNEL

A. The FAA shall assign personnel to perform the services agreed upon in the annex or appendix. The personnel assigned may be the employees of the FAA, another U.S. Government agency, or a contractor to the FAA. FAA or other U.S. Government personnel assigned to any activity shall retain their status as U.S. Government employees. The supervision and administration of the personnel shall be in accordance with the policies and procedures of the FAA as an agency of the U.S. Government. The assigned personnel shall perform at the high level of conduct and technical execution required by the FAA.

B. U.S. Government personnel assigned to perform work under an annex or appendix to this Agreement shall be accorded the same privileges and immunities as are accorded to the administrative and technical personnel of the U.S. Embassy under the Vienna Convention on Diplomatic Relations of 1961. Such personnel shall not, however, be considered members of the Embassy staff by virtue of their enjoyment of such privileges and immunities.

ARTICLE V—HOST PARTY SUPPORT

The support by the FATO necessary for accomplishing the FAA technical assistance shall be described in the appropriate annex or appendix to this Agreement. If for any reason the FATO is unable to provide fully the support specified in each annex or appendix, the FAA shall arrange for the support and charge the costs for such support to the FATO. The FATO shall pay all such costs.

ARTICLE VI—FINANCIAL PROVISIONS

Each annex or appendix shall describe the specific financial arrangements for the technical assistance to be provided. However, all financial arrangements shall be subject to the following:

A. Except as may be provided in an annex or appendix to this Agreement, prior to the performance of any services by the FAA, the FATO shall pay to the FAA the estimated cost of providing the services and an administrative overhead charge in accordance with the provisions set forth in this Agreement and its annexes and appendices.

1. In the event that the FAA does not receive the payment within the time specified in the applicable annex or appendix, the FAA shall automatically terminate the technical assistance project and forward a bill for actual costs incurred in preparing to provide the technical assistance.

2. The FAA may, in its sole discretion and on a case-by-case basis, waive the required prepayment because of an emergency directly affecting aviation safety. In such cases, the FAA shall submit a bill to the FATO for all costs incurred by the FAA in providing the emergency services, including an administrative overhead charge.

B. The FAA has assigned agreement number NAT-I-7409 to identify this technical assistance project. This agreement number and the billing number assigned to each annex or appendix, if applicable, shall be referenced in all correspondence and bills related to this Agreement.

C. Upon completion of the services, the FAA shall submit a statement of account to the FATO detailing the actual cost of providing the services. Each statement of account will be delivered to the address specified in the respective annexes or appendices.

1. If the statement of account shows that the actual cost of providing the services is greater than the estimated cost paid by the FATO, the FATO shall pay the balance due to the FAA.

2. If the statement of account shows that the actual cost of providing the services is less than the estimated cost paid by the FATO, the FAA shall refund the difference to the FATO, apply the difference to any unpaid balances owed by the FATO under the Agreement, or hold the balance as a deposit against any future work under this Agreement, as agreed to by the parties.

D. Payment of a balance due must be received by the FAA within sixty (60) days from the date the FAA issues a statement of account. In the event that payment is not received by the FAA within sixty (60) days from the date the statement of account is issued, the FAA shall assess late payment charges – i.e., interest, penalties, and administrative handling charges – in accordance with U.S. Treasury Department regulations. The FAA shall assess additional late payment charges for each additional thirty (30) day period, or portion thereof, that payment is not received. FATO shall pay any such late charges.

E. All payments shall be made in U.S. dollars and may be made either by check or electronic funds transfer. Checks shall be drawn on a U.S. bank and forwarded to the FAA at the address specified in the annex or appendix. Electronic funds transfers shall be made in accordance with the instructions set forth in the applicable annex or appendix. All payments shall include a reference to the assigned agreement number and billing number.

F. The FAA reserves the right to suspend all work under this Agreement if there is an outstanding balance for work performed or services rendered under any of its annexes or appendices.

G. In the event of a termination by either party under Article X.B of this Agreement, FATO shall pay:

1. All costs incurred by the FAA in providing, or in preparing to provide, the technical assistance prior to the date of such termination; and
2. All termination costs incurred by the FAA during the 120-day close-out period.

ARTICLE VII—LIABILITY

A. The FAA assumes no liability for any claim or loss arising out of advice or other assistance provided or work performed by it under this Agreement or its annexes and appendices, or arising out of any action or decision by the FATO, or its current or former officers, employees or contractors, in relation to such advice, assistance or work.

B. The FATO, on behalf of the Government of the Russian Federation, agrees to defend any suit brought in any jurisdiction other than the United States or pay for the defense of any suit brought in the United States against the Government of the United States, the FAA, or any instrumentality or current or former officer or employee of the United States arising out of any advice or other assistance provided or work performed under this Agreement or its annexes and appendices. The FATO, on behalf of the Government of the Russian Federation, further agrees to hold the United States, the FAA, or any instrumentality or current or former officer or employee of the United States harmless against any claim by the Government of the Russian Federation, or by any agency thereof, or by third persons for personal injury, death, or property damage arising out of any advice or other assistance provided or work performed under this Agreement or its annexes and appendices.

C. Grossly negligent, fraudulent, or criminal acts resulting in personal injury, death, or property damage shall not be considered within the scope of "advice or other assistance provided or work performed under this Agreement" for the purpose of the obligation of FATO under paragraph B of this Article VII to defend or pay for the defense of any suit brought against the Government of the United States, the FAA, or any instrumentality or current or former officer or employee of the United States, or to hold the Government of the United States, the FAA, or any instrumentality or current or former officer or employee of the United States harmless against any claim.

ARTICLE VIII—AMENDMENTS

The parties may amend this Agreement or its annexes or appendices. The parties shall document the details of any such amendment in a written agreement signed by both parties.

ARTICLE IX—RESOLUTION OF DISAGREEMENTS

The parties shall resolve any disagreement regarding the interpretation or application of this Agreement or its annexes and appendices in consultations between the parties. The parties shall not refer any such disagreement to an international tribunal or third party for settlement.

ARTICLE X—ENTRY INTO FORCE AND TERMINATION

A. This Agreement shall enter into force on the date of the last signature and shall remain in force until terminated.

B. Either party may terminate this Agreement or its annexes or appendices at any time by providing sixty (60) days notice in writing to the other party. Termination of this Agreement shall not affect existing obligations of the FATO under Articles IV, VI, VII, and IX. The FAA shall have one hundred and twenty (120) days to close out its activities following any termination of this Agreement or its annexes or appendices. Termination of this Agreement also shall terminate all annexes and appendices subsequently concluded by the parties pursuant to this Agreement.

ARTICLE XI—SIGNATURE IN COUNTERPARTS

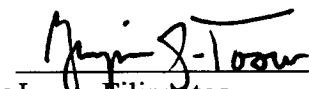
To facilitate execution, the parties may execute this Agreement or its annexes or appendices in as many counterparts as may be required. It shall not be necessary that the signature of or on behalf of each party appear on each counterpart, but it shall be sufficient that the signature of or on behalf of each party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement.

ARTICLE XII—AUTHORITY

The FAA and the FATO agree to the provisions of this Agreement as indicated by the signature of their duly authorized representatives.

FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA

BY:

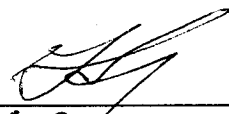

James Filippatos

TITLE: Assistant Administrator
for International Aviation

DATE: JUN 20 2007

FEDERAL AUTHORITY FOR
TRANSPORTATION OVERSIGHT
MINISTRY OF TRANSPORT
RUSSIAN FEDERATION

BY:


G RYZZENKOV

TITLE: DIRECTOR of FATO

DATE:

29.06.07